

EXCERPTS FROM CURRENT INTELLIGENCE DIGEST

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23. New military government of Guatemala reportedly outlaws Communist Party: The military junta which assumed control of the Guatemalan government on 27 June has outlawed the Communist Party, ~~according to the Guatemalan radio,~~ as reported from Tegucigalpa on 28 June. The new government is headed by a military junta consisting of Colonel Carlos Enrique Diaz, former chief of the armed forces, Colonel José A. Sanchez, former defense minister, and Colonel Elfego Monzon.

The insurgents led by Castillo Armas have denounced Diaz as a usurper and Diaz has proclaimed his intention to continue military efforts against Castillo Armas. However, discussions are being held in an effort to establish terms for a settlement mutually acceptable to the two groups.

Leaders of three of the pro-Communist political parties which backed the Arbenz administration have called on their members to give united support to Diaz. (S Factual data from: U FBIS Guatemala City, 28 June 54)

Comment: It would appear that the Guatemalan government is attempting by the maneuver of ousting Arbenz and outlawing the Workers' Party to remove the stigma of Communism from the government and thereby take from Castillo Armas the reason for his campaign. Most of those calling for support of the new government have long pro-Communist records.

There are unconfirmed reports that the younger army officers are dissatisfied with the triumvirate and may seek opportunities to unseat Diaz. (~~SECRET~~)